

# Managing your account

City of Lansing Defined Contribution Plan

# Today's discussion

- Retirement Savings
- Investing basics
- Your fund options
- New option – Target My Retirement
- Stay in Touch – when and how you want
- Next steps

# Retirement Savings



# Available plans for your Retirement Savings

- Social Security
- Defined Benefit (Pension) Plan
  - Uses a formula, paid out over lifetime
  - Contact Karen Williams
- Defined Contribution Plan
  - Fixed % contributed by Employee and Employer, elected on date of hire
- 457 (deferred compensation)
  - Available to supplement savings
- Additional personal savings
  - IRA, prior plans

# What does investing in a Defined Contribution/457 plan mean?

- Can help you reach your retirement savings goals
- Automatic payroll deductions
- You choose where to invest your contributions among the options available in the plan





# What are pretax contributions?

- Your contributions are taken out of your paycheck before it is taxed<sup>1</sup>
  - Your paycheck will not decrease by the total you put in the plan
- Tax-deferred earnings
  - Pay no taxes on the investments as they grow
- Taxable distributions
  - You will pay taxes as you spend the money in retirement

<sup>1</sup>FICA and FUTA taxes still apply.

# A little bit goes a long way



	Per day	5 days per week	Per year	Spent in 20 years	Invested for 20 years*
<b>Candy/chips</b>	\$1	\$5	\$260	<b>\$5,200</b>	<b>\$10,659</b>



<b>Coffee</b>	\$3	\$15	\$780	<b>\$15,600</b>	<b>\$31,976</b>
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<b>Lunch</b>	\$5	\$25	\$1,300	<b>\$26,000</b>	<b>\$53,294</b>
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\*Based on 7% annual rate of return. This example is for illustration purposes only and is not intended to represent the return of any specific investment. Estimates are based on the assumptions noted, do not guarantee or imply a projection of actual results, and do not include the effect of taxes. Wells Fargo cannot guarantee results under any savings or investing program, including a regular investment program, and cannot guarantee that you will meet your retirement savings goal.



# Prepare early for a better retirement

**\$135,044**



**\$121,288**



	Mike	Marie
Age started contributing	25	35
Age stopped contributing	35	65
Monthly contribution	\$100	\$100
Total contribution	\$12,000	\$36,000
Years contributed	10	30

## Value at age 65?

Based on 7% annual rate of return. This example is for illustration purposes only and is not intended to represent the return of any specific investment. Estimates are based on the assumptions noted, do not guarantee or imply a projection of actual results, and do not include the effect of taxes. Wells Fargo cannot guarantee results under any savings or investing program, including a regular investment program, and cannot guarantee that you will meet your retirement savings goal.





# Investing basics

# Saving vs. investing: What's the difference?



Saving

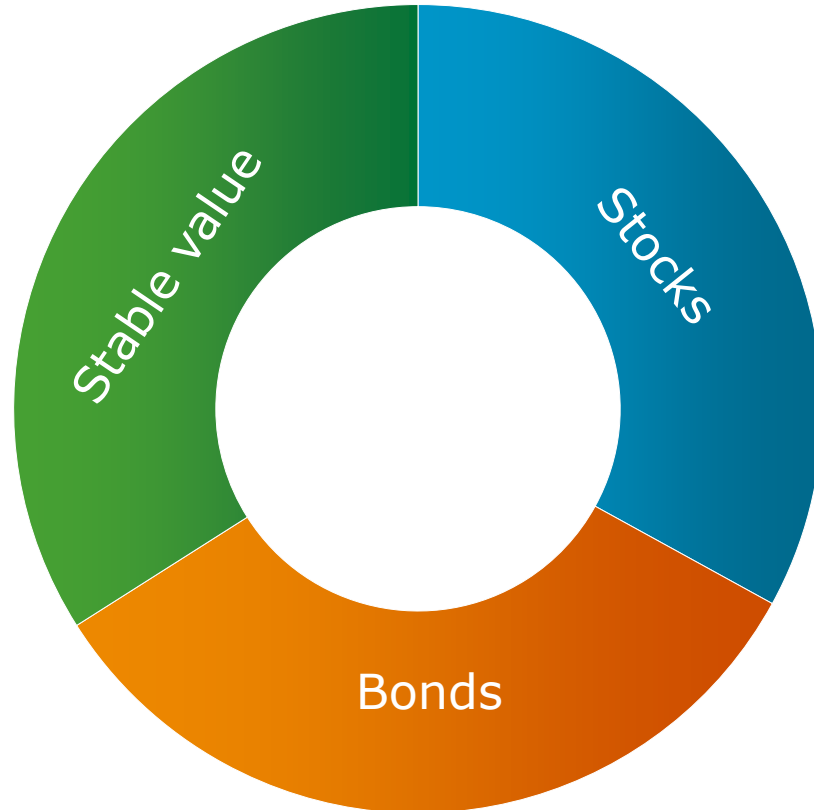
**Putting money  
aside for emergencies  
or short-term needs**



Investing

**Putting your money  
to work to achieve  
long-term goals**

# Basic investing strategies



## **Asset allocation**

How you divide your money *among* stable value/money market investments, bonds, and stocks

## **Diversification**

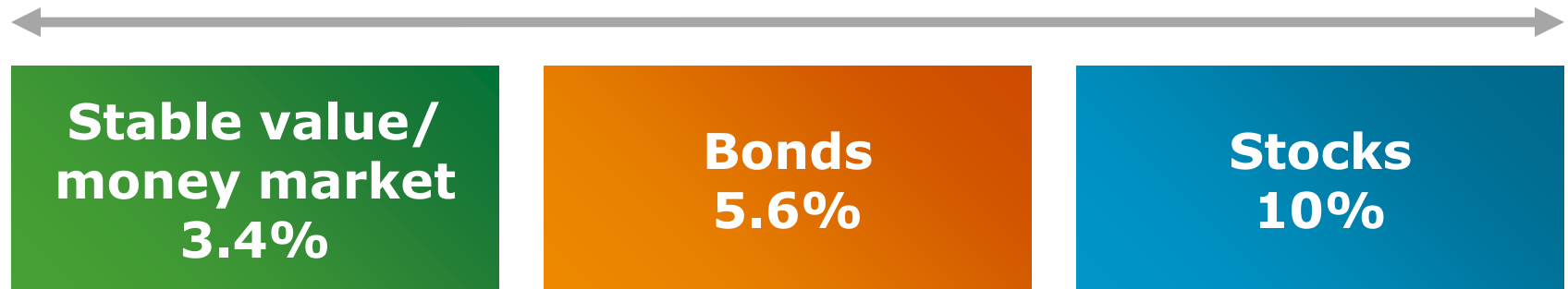
How you divide your money *within* each asset class

# How market risk is related to returns

Average annual total returns 1926 – 2015

**Lower risk/  
Lower return**

**Higher risk/  
Higher return**



**Performance is historical and does not represent future results.**

Source: 2016 Morningstar. Large stocks are represented by the Ibbotson® Large Company Stock Index. Government bonds are represented by the 20-year U.S. government bond, Treasury bills by the 30-day U.S. Treasury bill, and inflation by the Consumer Price Index. Underlying data is from the *Stocks, Bonds, Bills, and Inflation® (SBBBI®) Yearbook*, by Roger G. Ibbotson and Rex Sinquefeld, updated annually. An investment cannot be made directly in an index.

# What determines my investor style?

- Risk tolerance
  - Conservative
  - Moderate
  - Aggressive
- Time horizon

**Risk tolerance quiz**

**Determine your risk profile**  
 Circle the number that most closely fits your personal situation.

	1-Disagree strongly		5-Agree strongly		
	1	2	3	4	5
To obtain above-average returns on my investments, I am willing to accept above-average risk.	1	2	3	4	5
If an investment loses money over the course of a year, I can easily resist the temptation to sell it.	1	2	3	4	5
I am comfortable investing in the stock market.	1	2	3	4	5
When I put aside money for retirement, I do not plan on accessing it before I retire.	1	2	3	4	5
I consider myself knowledgeable about economic issues and personal investing.	1	2	3	4	5

**Understand your investor type**  
 Add the numbers you circled: \_\_\_\_\_. Compare your total score to the investor types below.

<b>Conservative (5 to 11)</b> Most likely you are a conservative investor. Maintaining a fairly stable account balance and having a clear idea of what your investments are likely to earn is more important to you than pursuing higher return potential.	<b>Moderate (12 to 18)</b> Most likely you are a moderate investor. You are willing to accept some fluctuation in the value of your investments to pursue higher return potential.	<b>Aggressive (19 to 25)</b> Most likely you are an aggressive investor. You have the ability to weather short-term volatility in your investments. You are willing to assume a higher degree of fluctuation in the value of your investments to pursue growth opportunities.
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**Select a sample asset allocation portfolio**  
 The sample portfolios suggest possible asset allocation plans in line with your time horizon and investor type: conservative, moderate, or aggressive. Use these sample asset allocation portfolios as a starting point for building your own investment portfolio.

Sample asset allocation portfolios			
Time Horizon	Conservative	Moderate	Aggressive
0 to 5 years until retirement	 32% Stable value/money market funds 48% Bonds 20% Stocks	 28% Stable value/money market funds 42% Bonds 30% Stocks	 24% Stable value/money market funds 36% Bonds 40% Stocks
6 to 15 years until retirement	 28% Stable value/money market funds 42% Bonds 30% Stocks	 20% Stable value/money market funds 30% Bonds 50% Stocks	 16% Stable value/money market funds 24% Bonds 60% Stocks
16 to 25 years until retirement	 20% Stable value/money market funds 30% Bonds 50% Stocks	 12% Stable value/money market funds 18% Bonds 70% Stocks	 8% Stable value/money market funds 12% Bonds 80% Stocks
26 years or more until retirement	 12% Stable value/money market funds 18% Bonds 70% Stocks	 8% Stable value/money market funds 12% Bonds 80% Stocks	 4% Stable value/money market funds 6% Bonds 90% Stocks

■ Stable value/money market funds   
 ■ Bonds   
 ■ Stocks

Diversification and asset allocation do not assure or guarantee better performance and cannot eliminate the risk of investment losses.

The Risk Tolerance Quiz is intended to provide you with a general indication of your current investment personality and does not constitute investment advice. There may be other factors specific to your situation that are not considered. Your investment risk tolerance may change over time, and you should revisit your situation from time to time to determine if a selected portfolio is still appropriate for your situation.

Recordkeeping, trustee, and/or custody services are provided by Wells Fargo Institutional Retirement and Trust, a business unit of Wells Fargo Bank, N.A.

**Investments in retirement plans**

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The risk tolerance quiz is intended to provide you with a general indication of your current investor type and does not constitute investment advice. There may be other factors specific to your situation that are not considered. Your investment risk tolerance may change over time, and you should revisit your situation from time to time to determine if a selected portfolio is still appropriate for your situation.

# What kind of Investor are you?

**I want to do  
it all by  
myself**

**Full line up of  
investments to  
use to create my  
own portfolio**

**I want some  
help however  
I want to control  
my investments**

**Retirement  
Investment  
Advice-  
looks at your  
current assets  
and creates a  
diversified  
portfolio**

**I want  
someone to  
decide how  
to invest for me**

**Wells Fargo DJ  
Target Date funds  
Or  
Target My  
Retirement**

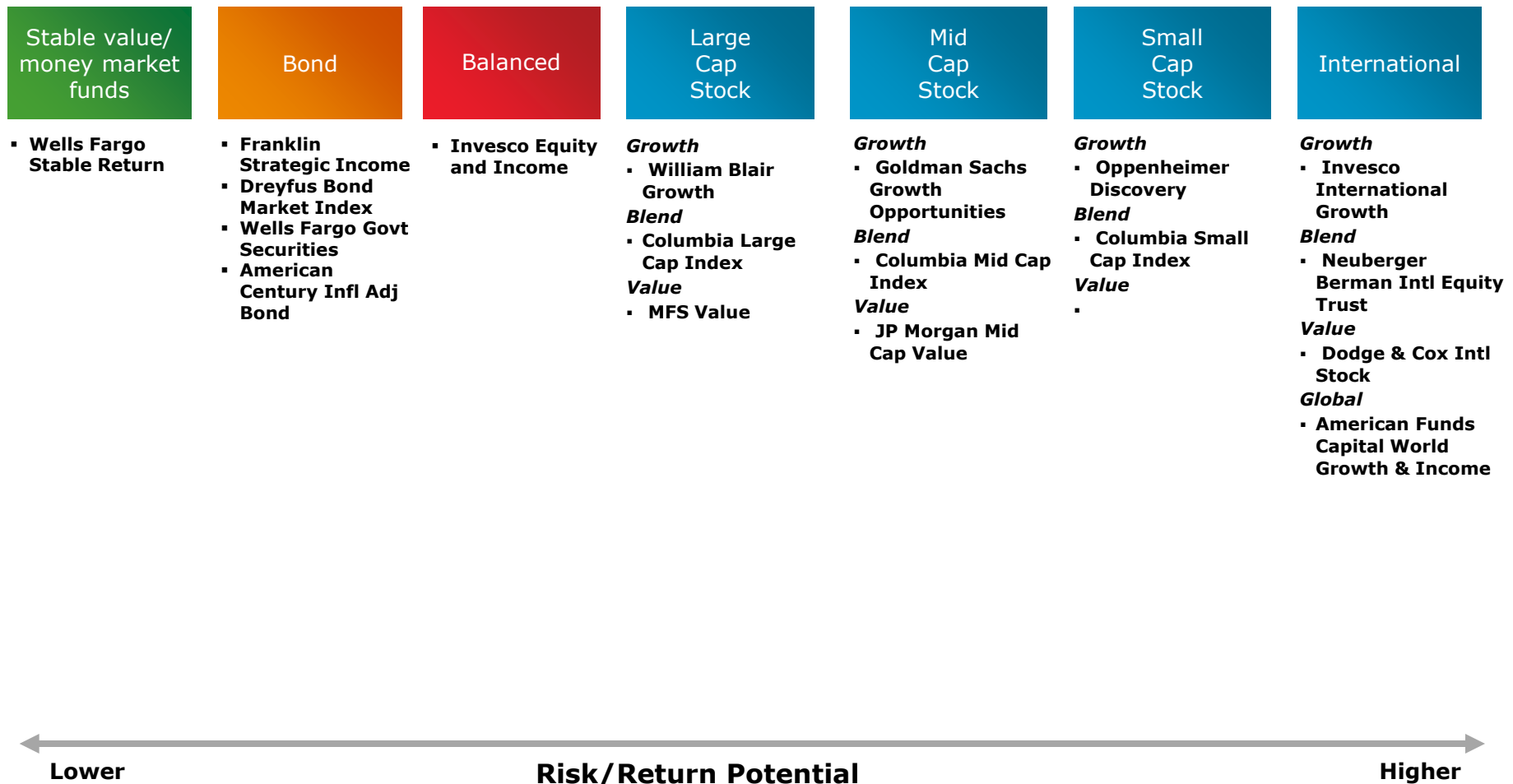




Your fund  
options



# Individual funds



The risk and return characteristics are for illustration purposes only and are not intended to depict actual risk and return characteristics of different asset class categories or specific funds. These risk and return characteristics are based on generally accepted investment theories and take into account historic returns of asset classes over defined periods of time and do not reflect the specific risk and returns of specific funds. For more information about these funds including fees and expenses, obtain a current prospectus by calling the Wells Fargo Retirement Service Center, visiting the Wells Fargo website, or calling your plan administrator.

**Investments in retirement plans:**

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# Retirement Investment Advice

## Look under Action & Investments – Advisory Services

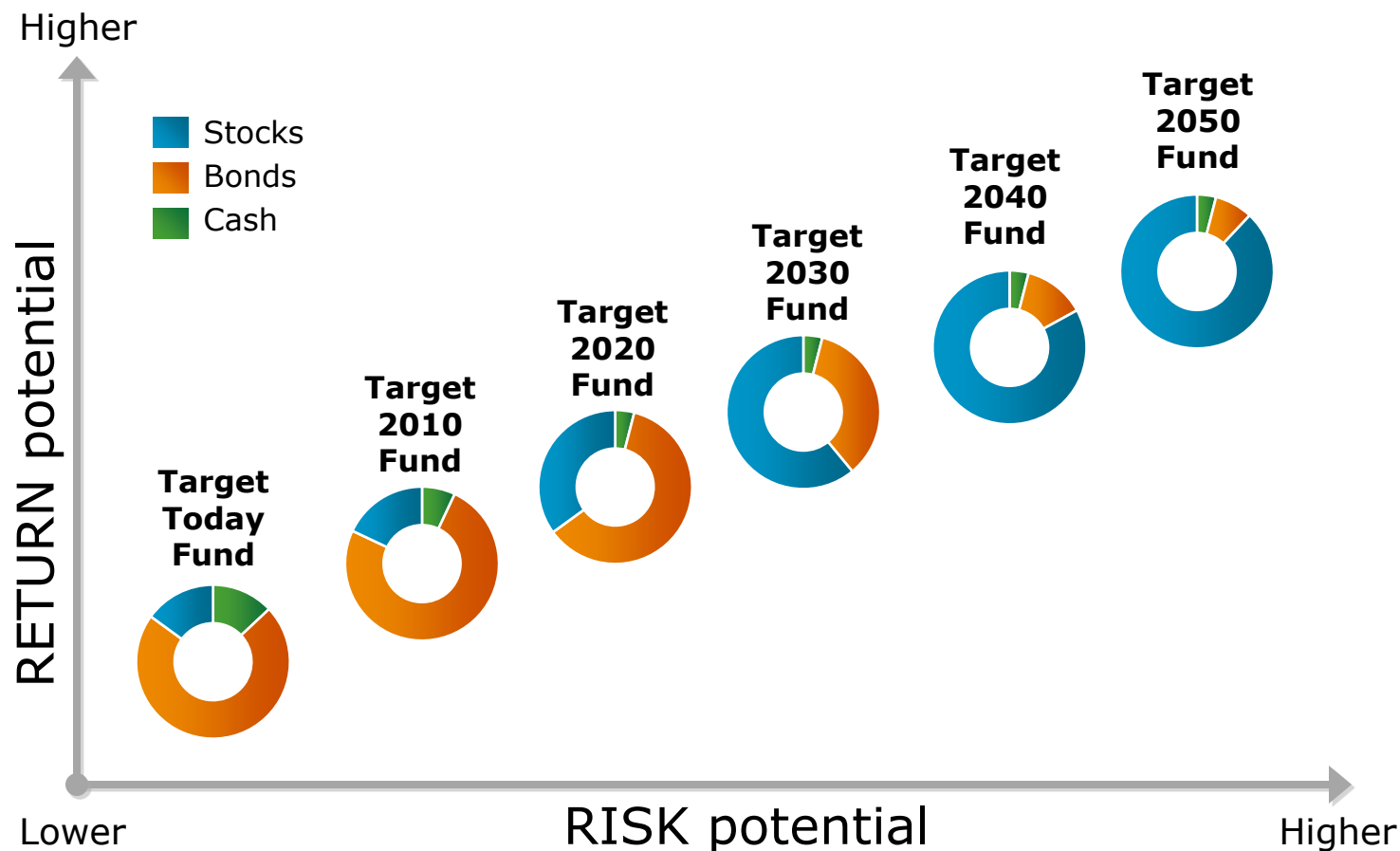
- Provides recommendations for investing in specific plan options and appropriate allocations based on the plan fund array
- Provides suggested contribution rate to help you reach your retirement income needs
- Available on the Wells Fargo Retirement Plan website at no cost to you
- Morningstar will supply the Investment Recommendation.
- Does not change your allocation unless you log in and run again.

The Retirement Investment Advice program is offered by Wells Fargo Bank, N.A. Individual participant investment recommendations are provided by Morningstar Associates, LLC, a registered investment advisor and wholly owned subsidiary of Morningstar, Inc. The Morningstar name and trademarks are used, under license, from Morningstar Associates, LLC. Morningstar is not an affiliate of Wells Fargo. The program is intended for use by citizens and legal residents of the United States and its territories. Investment recommendations are based on information provided and limited to the investment options available in your plan. Projections and other information regarding the likelihood of various retirement income and/or investment outcomes are hypothetical in nature, do not reflect actual results, are not guarantees of future results, and may vary with each use and over time. Other investment alternatives having similar risk and return characteristics may be available under your plan. Please contact your plan administrator for these investment alternatives. Some of the plan's administrative fees may be paid through the investment options in which you invest.

### Investments in Retirement Plans

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# Wells Fargo Dow Jones Target Date Funds<sup>SM</sup>



The charts shown above illustrate the relative differences in the Target Date Funds' asset allocations. As the pie charts indicate, there is a decreasing holding of stocks, and an increasing holding of bonds and cash as funds approach their retirement date. Actual allocations of the Wells Fargo Dow Jones Target Date Funds will change over time. For current fund allocations, please go to [wellsfargo.com/funds](https://wellsfargo.com/funds).

Investments in retirement plans:

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**New Option**  
**- *Target My***  
***Retirement***

# A simple solution – program features

- **Personalized *Target My Retirement* Retirement Estimate<sup>1</sup>**
  - **Estimated at 80% of your pre-retirement income**
- **Managed Investing feature**
  - **Invests and manages your retirement account with a strategy designed for you**
  - **Takes a diversified approach with an appropriate level of risk for your personal situation**
  - **Adjusts your asset allocation automatically as you near retirement**
- **Keeps you informed**
  - **Quarterly account statement**
  - **Personalized annual review to help you determine if you are on track to meet your savings goals**
  - **Confirmation statements for all transactions**
- **Provides flexibility**
  - **Ability to opt out at any time**
- **Total cost is based on your investments**

<sup>1</sup>All estimates are based on various assumptions, are not guaranteed, and are not projections of actual results. The estimates in your *Target My Retirement* Retirement Estimate assume automatic increases to your contribution rate. If you do not enroll in Managed Saving, those estimates would change and would no longer apply to your situation.

# *Target My Retirement fees*

- 0.25% of value of account plus expenses of 0.065%
- The average annual expense ratio for the funds in the program is 0.07%
- Average annual cost, including fund expenses, is .385% of the total market value of your account:
  - Example: For a participant with a \$10,000 account balance, the total annual average cost would be \$38.50

The average cost of the program is as of 10/31/15.

Detailed information on applicable fees and compensation arrangements between Wells Fargo and the *Target My Retirement* investment funds is provided at the time of enrollment or upon request.

# *Target My Retirement* program investment lineup

## Investment lineup

Wells Fargo/BlackRock Short Term Investment Fund

Wells Fargo/BlackRock U.S. Aggregate Bond Index<sup>1</sup>

Wells Fargo/BlackRock Large Cap Growth Index<sup>1</sup>

Wells Fargo/BlackRock S&P 500 Index<sup>1</sup>

Wells Fargo/BlackRock Large Cap Value Index<sup>1</sup>

Wells Fargo/BlackRock S&P 400 MidCap Index<sup>1</sup>

Wells Fargo/BlackRock Russell 2000 Index<sup>1</sup>

Wells Fargo/BlackRock International Equity Index<sup>1</sup>

<sup>1</sup> These funds are Bank Collective Investment Funds subject to primary regulation of the Office of the Comptroller of the Currency. The Funds are not mutual funds and are not subject to the same registration requirements and restrictions as mutual funds. **The Funds are NOT FDIC insured, NOT obligations or deposits of Wells Fargo Bank, are NOT guaranteed by the Bank, and involve investment risk, including possible loss of principal.** For more complete information about the funds, obtain a current disclosure statement by visiting [wellsfargo.com/funds](https://wellsfargo.com/funds) and entering your keyword: collective, or by calling your plan administrator.

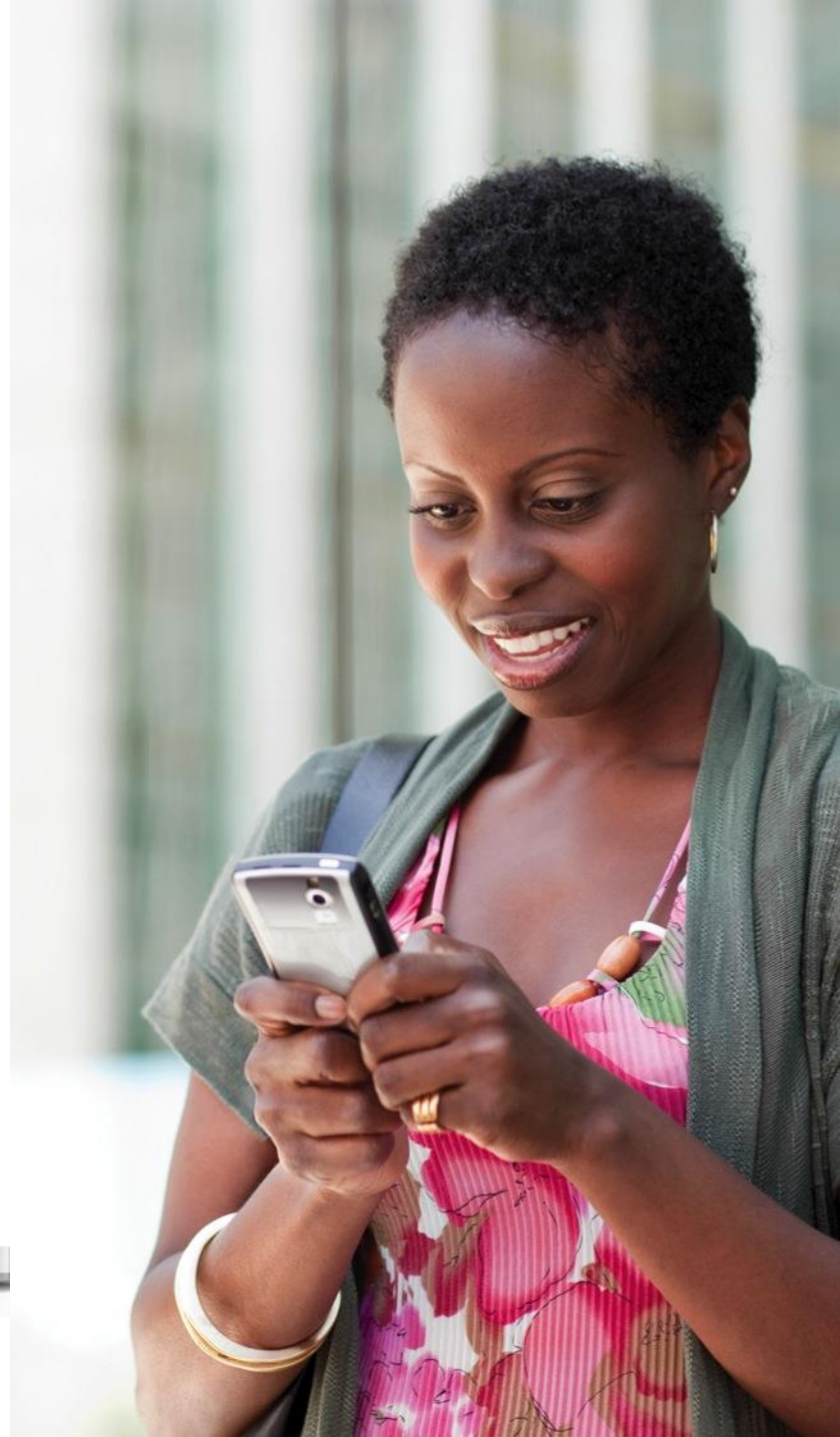
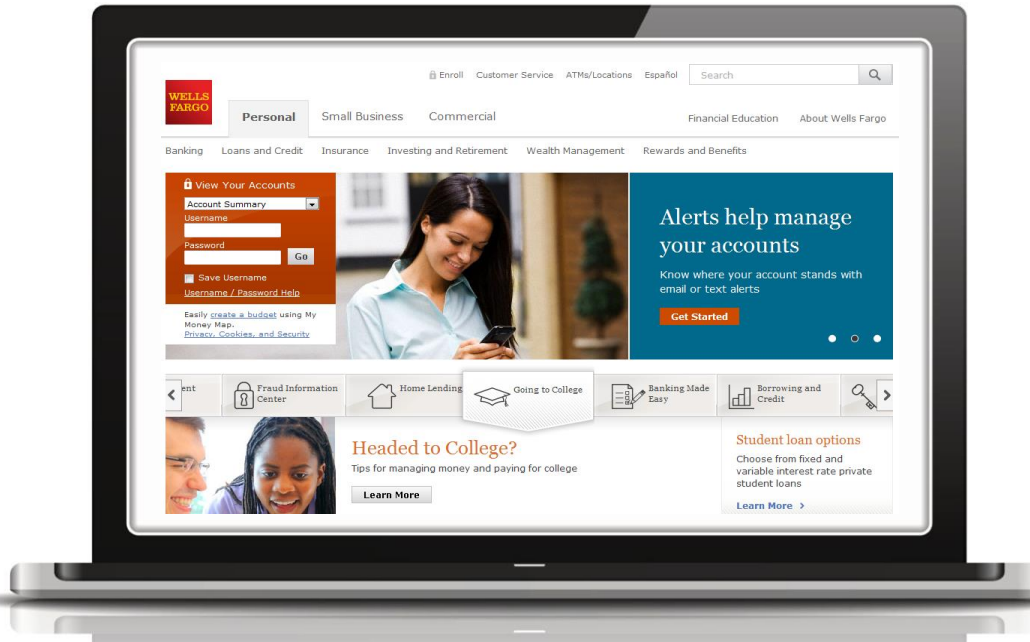





Stay in touch  
– when and  
how you want

# Easy account access

- Sign on to wellsfargo.com or through our app
- Call us at 1-800-728-3123




# Welcome to the Wells Fargo website



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## Welcome to Wells Fargo

Last Sign On: November 09, 2015

### Account Summary

**Communications Summary**

**Messages & Alerts:** 8 new messages since you last visited your [inbox](#).  
[sample@wellsfargo.com](#) [Edit](#)

**Moved recently?**  
Protect your belongings with renters insurance  
[Get A Quote](#)

**I Want To ...**  
[Set up/modify mobile banking](#)  
[Add Accounts for Access Online](#)  
[Nickname accounts](#)  
[Change username](#)  
[Change password](#)  
[Update Contact Information](#)

**New!** More alerts are now available via mobile push notifications. [Learn More](#)

**Do It!** Need to meet with a banker? [Make an appointment online](#)

**New!** FastLook: See account balances without signing on to the app. [Learn More](#)

**Employer-Sponsored Accounts<sup>†</sup>**

Account	Total Account Value	Related Activities
<a href="#">SALES DEMO 1</a> ‡	<b>\$395,991.32</b>	<a href="#">Check your retirement savings status</a>
<b>Total</b>	<b>\$395,991.32</b>	

**Featured for You**

Buying a home? Take the first step. [Get a Free Prequalification](#)

Open a new checking account in minutes. [Start Now](#)

You could save as much as \$350<sup>†</sup> per year on auto insurance. [Learn More](#)

[See all the products and services we offer.](#)


**† Denotes investment products which are - Not FDIC Insured - Not guaranteed by the Bank - May lose value.**

<sup>†</sup>Your Employer-Sponsored Accounts balance includes the current value of any outstanding loan balances and unvested amounts. Loan balances within your plan are assets to the plan, even though they are a liability (debt) to you personally. Consult your governing plan materials for more information. Employer-Sponsored Accounts are offered by Wells Fargo Institutional Retirement and Trust, a business unit of Wells Fargo Bank, N.A. that provides recordkeeping, trust and/or custody services to employer-sponsored plans, are covered by special confidentiality rules and are not covered by the Wells Fargo Privacy Policy.

Deposit products offered by Wells Fargo Bank, N.A. Member FDIC. Wells Fargo Bank, N.A. is a banking affiliate of Wells Fargo & Company.



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[Shortcuts](#)

[My Contributions](#)

**[Manage My Investments](#)**

[Advisory Services](#)

[Research Investments](#)


[Withdrawals](#)

## Actions & Investments

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Change your asset allocation or your investment options

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Access advice and education

[Research Investments](#)  
Take a closer look at the invest

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[Reallocate Current Balance and Future Contributions](#)

[Reallocate Current Balance](#)

[Reallocate Future Contributions](#)

[Investment Transfer](#)


[Rebalance Account Automatically](#)


[Advisory Services](#)


[Research Investments](#)


[Withdrawals](#)


## Manage My Investments

**Reallocate Current Balance & Future Contributions**  
Change the way your current balance and future contributions are invested.

**Reallocate Current Balance**  
Change the way your current balance is invested.

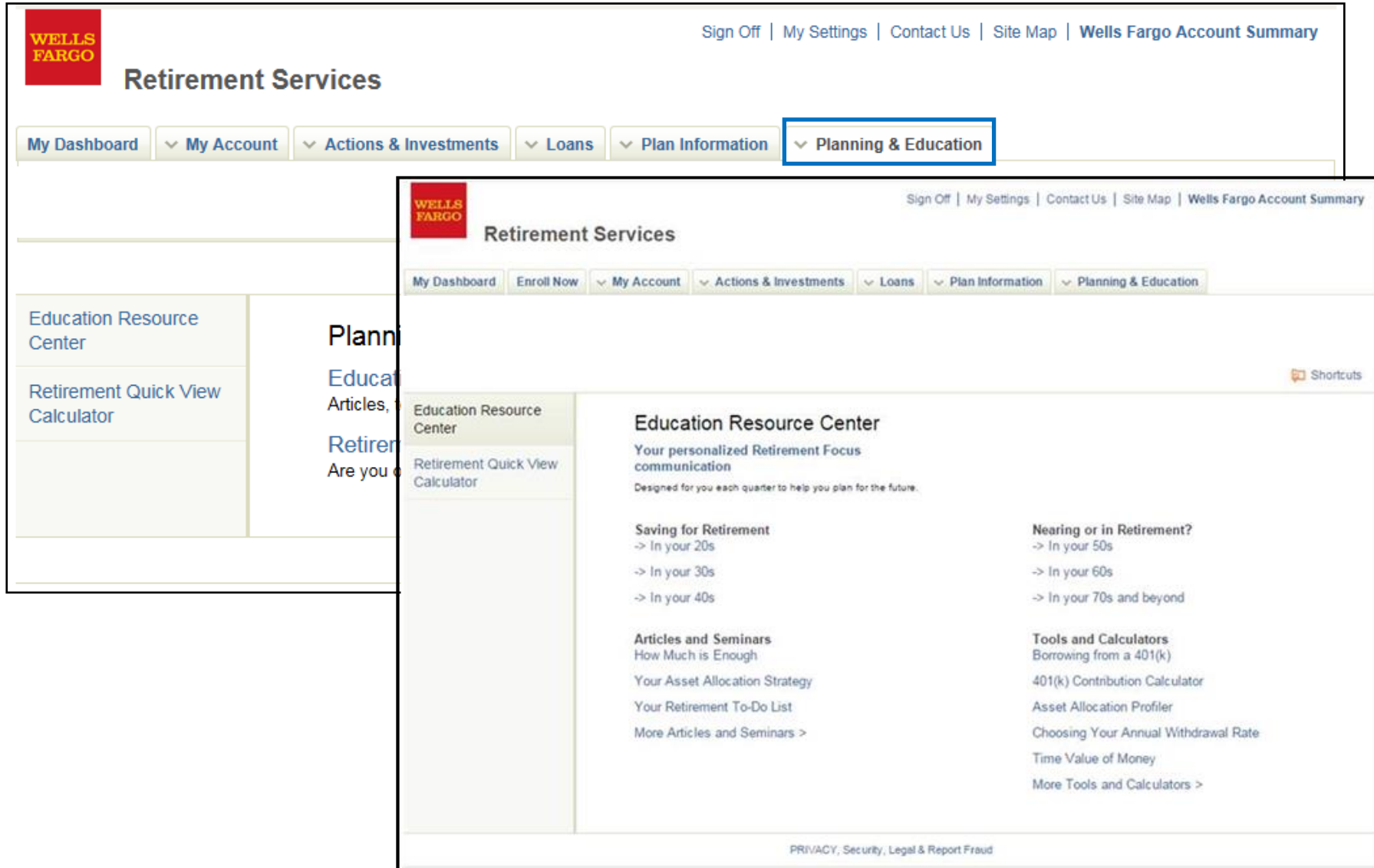
**Reallocate Future Contributions**  
Change the way your future contributions are invested.

**Investment Transfer**  
Transfer existing balances to one or more other investments.

**Rebalance Account Automatically**  
Realign your account periodically to match your future contributions.



# Planning & Education



The image shows a screenshot of the Wells Fargo Retirement Services website, specifically the Planning & Education section. The page is divided into a header, a navigation bar, and a main content area. The header includes the Wells Fargo logo and links for Sign Off, My Settings, Contact Us, Site Map, and Wells Fargo Account Summary. The navigation bar features tabs for My Dashboard, My Account, Actions & Investments, Loans, Plan Information, and Planning & Education, with the latter being highlighted. The main content area is titled 'Education Resource Center' and includes a sidebar with links to the Education Resource Center and Retirement Quick View Calculator. The main content area also features a 'Your personalized Retirement Focus communication' section, which is designed to help users plan for the future. This section is divided into three columns: 'Saving for Retirement' (with links for In your 20s, 30s, and 40s), 'Nearing or in Retirement?' (with links for In your 50s, 60s, and 70s and beyond), and 'Tools and Calculators' (with links for Borrowing from a 401(k), 401(k) Contribution Calculator, Asset Allocation Profiler, Choosing Your Annual Withdrawal Rate, Time Value of Money, and More Tools and Calculators >). The page footer includes a link to PRIVACY, Security, Legal & Report Fraud.

**WELLS FARGO** Retirement Services

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My Dashboard ▾ My Account ▾ Actions & Investments ▾ Loans ▾ Plan Information ▾ **Planning & Education**

Education Resource Center

Retirement Quick View Calculator

**Education Resource Center**

Your personalized Retirement Focus communication

Designed for you each quarter to help you plan for the future.

**Saving for Retirement**

- > In your 20s
- > In your 30s
- > In your 40s

**Articles and Seminars**

- How Much is Enough
- Your Asset Allocation Strategy
- Your Retirement To-Do List
- More Articles and Seminars >

**Nearing or in Retirement?**

- > In your 50s
- > In your 60s
- > In your 70s and beyond

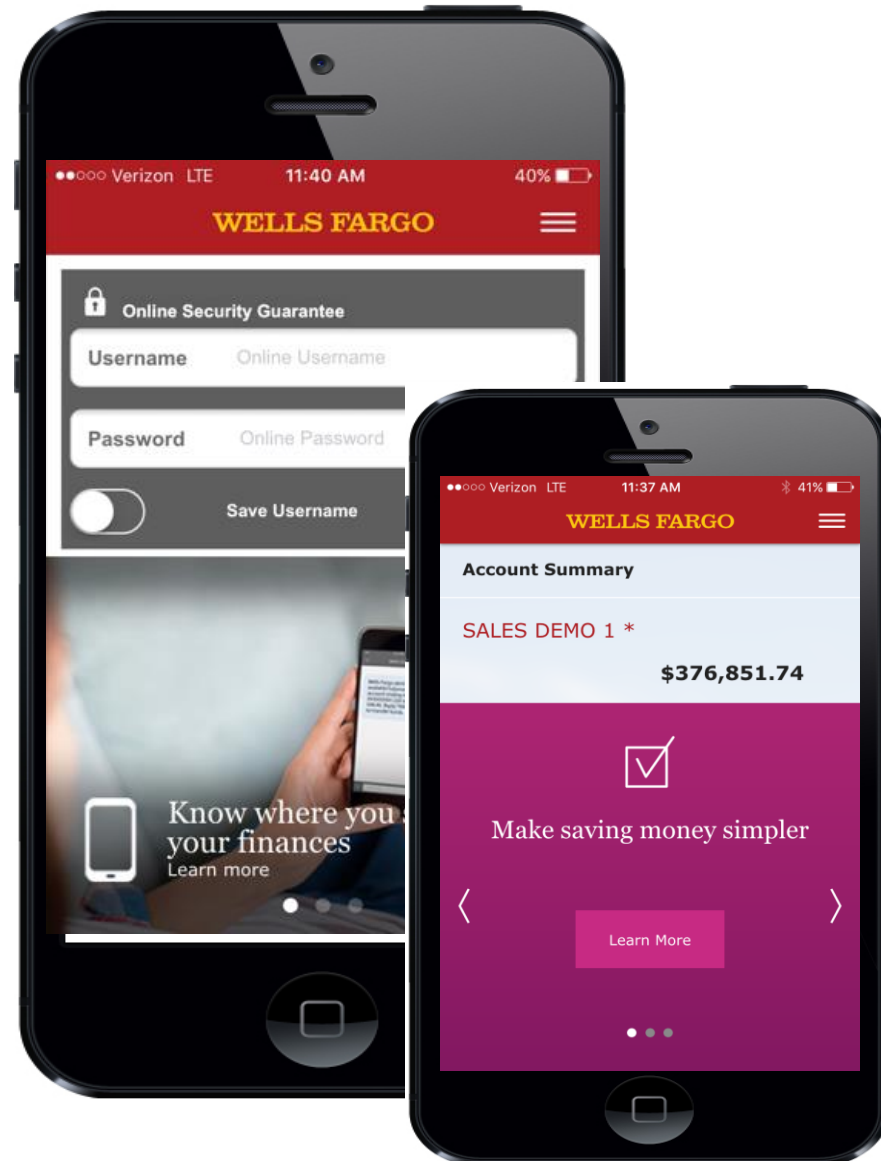
**Tools and Calculators**

- Borrowing from a 401(k)
- 401(k) Contribution Calculator
- Asset Allocation Profiler
- Choosing Your Annual Withdrawal Rate
- Time Value of Money
- More Tools and Calculators >

PRIVACY, Security, Legal & Report Fraud

# More ways to manage your account

- Use your phone to sign on to wells Fargo.com or through the Wells Fargo mobile app
- Use your same username and password





Next steps





# What will you take away from our meeting?

- Understand your Retirement plans
- See if you are on track for retirement
- Decide what kind of investor you are
- Take the risk tolerance quiz
- Get to know the investment options in your plan
- Use the tools available online

# What is your next step?



Determine your  
investment style



Select your  
investments



Stay in touch with  
your plan

# Thank you

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# Disclosures

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You should monitor the performance and review the investment objectives and strategy of the Target Date Fund you choose. You may want to consider changing your selection if your retirement date, investment philosophy, risk tolerance, or other circumstances change.

Wells Fargo will not make any decisions or recommendations about the advisability of the investments in your account or about changing or retaining the investment options available in your plan and has no responsibility or authority to do so.

Variables such as anticipated retirement age, life expectancy, income requirements and resources, inflation and potential rates of return should be considered when you determine which investments will best suit your risk profile.

You should consider your other assets, income, and investments, (such as home equity, IRA investments, savings accounts, and interest in other qualified and nonqualified plans) in addition to your interests in your retirement plan. Other investment alternatives that have risk and return characteristics appropriate to your situation may be available in your plan.

Information on those investment alternatives may be obtained by contacting your plan administrator.

For more information about the Target Date Funds and other investment alternatives that have risk and return characteristics appropriate to your situation which are available in your plan, and to obtain a prospectus or disclosure for these investments, you may call the Retirement Service Center or visit the Wells Fargo website.

While the fund seeks to maintain relative stability of principal, the fund is not a money market fund. The fund's value may fluctuate due to changes in interest rates and changes in the value of securities in which the fund invests. Investments in the fund, when redeemed, may be worth more or less than their original cost.